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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/677,401	09/29/2000	K. Jon Kern	5125.02	3108

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EXAMINER

NGUYEN, TAN D

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 12/30/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/677,401

Applicant(s)

KERN ET AL.

Examiner

Tan Dean D. Nguyen

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 October 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final. ✓
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 8-28, 30 and 32-89 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 8-28, 30 and 32-89 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 10/12/2004 has been entered.

Response to Amendment

The amendment filed 10/12/2004 has been entered.

Declaration 37C.F.R. 1.131

The Declaration 1.131 has been reviewed.

Claim Status

Claims 8-28, 30, 32-89 are pending. They consist of 5 method groups, (Mt¹) 8-28, 32-46, (Mt²) 47-53, (Mt³) 54-64, (Mt⁴) 65-70, and (Mt⁵) 71-89. Claims 1-7, 29, 31 have been cancelled.

Claim Rejections - 35 USC § 112

2. Claims 8-28, 30, 32-46, 47-53, 54-64, 65-70, and 71-89 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In these

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claims, applicant has amended the claims to include "a 1st party" and "3rd party";
however, it's not clear where is the "2nd party" or who is the "2nd party"?

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 8-28, 36-46, 47-53, 54, 71-89 are rejected under 35 U.S.C. 103(a) as being unpatentable over (Ref¹) SHURLING et al in view of (Ref²) Article 12/1999 and (Ref³) ROSS, Jr. et al.**

As for Independent method claims 8, 54, 71, SHURLING et al fairly discloses a method of facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points comprising the steps of:

- (b) recognize at least certain users (2nd party),
- (c) directing the user to a merchant (bank/store owner or 3rd party),
- (d) enabling accumulation of loyalty points by the user based upon transaction (service or purchase of product) from the merchant (bank/store),
- (e) monitoring the transaction by the users from the merchant (bank/store owner),
- (f) tracking the accumulated loyalty points,

(g) permitting the user to selectively repay the loan obligation based upon discretionary redemption of the accumulated loyalty points

{see col. 1, lines 10-25 or (c1:10-25), c1:30-67, c2:10-15, c3:10-30, c4:20-67, c5:1-24, c8:20-65, c9:1-65, c10:1-15, 35-65}. Note that financial rewards or financial values such as financial product or service, i.e. customer loan or bank service fee on the customer, by either reducing loan rate or bank service fee, or increasing deposit account interest to the customer account, etc. (see col. 1, lines 30-65 (or 1:30-65), 2:10-15, 5: 1-5, 5:15-25, 9:15-20). Other equivalent form of reducing loan obligation besides reducing interest rate such as loan obligation would have been obvious as mere using other similar loan parameter since the rate is related or a part of loan obligation.

SHURLING et al teaches the scope of the claimed invention, which is facilitating repayment of a loan obligation, however, it fails to teach other less critical steps such as (a), additional limitation on (b), (c) and (d).

Article 12/1999 is cited to show it's well known to put bank on a global computer network (Internet) and having its own web site whereby customer can access the bank products and obtaining loyalty points and redeeming points for desired products and services (see abstract). It would have been obvious to modify SHURLING et al by putting it's method or service on a global computer network (Internet) and having its own web site whereby customer can access the bank products and obtaining loyalty points and redeeming points as taught by Article 12/1999 to inherently obtain the well known benefits of the Internet such higher efficiency, availability, convenience, etc.

ROSS, Jr. et al is cited to teach the general concept of outsourcing the electronic commerce (Internet service) by using an independent or 3rd party (in this case, 1st party as indicated in the claimed invention) whereby merchants can focus on its core product/service and leaving the Internet to Internet experts, thus resulting ongoing cost savings and operational efficiencies magnify the potential benefits of the Internet while reducing initial costs {see col. 2, line 65 to col. 3, line 5}. It would have been obvious to modify the process of SHURLING et al/Article 12/1999 by outsourcing the Internet service to other party whereby merchants can focus on its core product/service and leaving the Internet to Internet experts, thus resulting ongoing cost savings and operational efficiencies magnify the potential benefits of the Internet while reducing initial costs as taught by ROSS, Jr. et al above.

the Internet WO 99/60503 by substituting proprietor with bank as taught by SHURLING et al and further in view of Article 12/1999 whereby the bank has its own website and can be accessed by customer for collecting and redeeming loyalty points.

As for dep. claim 9 (part of 8), the concept of tracking automatically is well known to improve efficiency and is taught on 8:59 or Fig. 4, step 110 of SHURLING et al in view of Article 12/1999 and ROSS, Jr. et al.

As for dep. claims 10-11 (part of 8), these are non-essential to the scope of the claimed invention which is facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points, and they are well known Internet communication steps and are taught in ROSS, Jr. et al cols. 12, 19.

As for dep. claims 12-14 (part of 8), which deals with the type of merchant and general Internet security parameters, these are non-essential to the scope of the claimed invention which is facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points, and would have been obvious in view of the teachings of various merchants and products and services as indicated by SHURLING et al on col. 2, lines 5-15, col. 4, lines 20-50 and ROSS, Jr. et al cols. 11-13.

As for dep. claims 15-18 (part of 8), which deals with the general monitoring parameters by 3rd party, these are non-essential to the scope of the claimed invention which is facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points, and would have been obvious in view of the teachings of SHURLING et al col. 4, lines 20-50 and ROSS, Jr. et al Figs. 11-15, and al cols. 11-13.

As for dep. claims 19-21, 27-28 (part of 8), which deals with the involvement of another broker merchant or 4th party, these are non-essential to the scope of the claimed invention which is facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points, and would have been obvious as mere duplicate of duplicate of parts/services for multiple effects, see St. Regis Paper Co. vs. Bemis Co., 193 USPQ 8, 11; 549 F2d 833 (7th circ. 1977).

As for dep. claims 22-26 (part of 8), which deals the relationship between various parties, these are non-essential to the scope of the claimed invention which is facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points, and would have been obvious in view of the general teachings of ROSS, Jr. et al on cols. 5-11.

As for dep. claims 36-37 (part of 8), which deal with the type of connection to the merchant entrance, i.e. virtual shopping mall, these are non-essential to the scope of the claimed invention which is facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points, and are fairly taught by ROSS, Jr. et al on Figs. 19-20.

As for dep. claims 38-43 (part of 8), which deal with the types of 3rd party merchant, these are non-essential to the scope of the claimed invention which is facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points, and are fairly taught by SHURLING et al on col. 2, lines 10-30 and ROSS, Jr. et al on Figs. 19-20.

As for dep. claims 44-46 (part of 8), which deals again with the types of 3rd party merchant, these are non-essential to the scope of the claimed invention which is facilitating repayment of a loan obligation by redeeming accumulated loyalty/reward points, and are fairly taught by SHURLING et al on col. 2, lines 10-30 and ROSS, Jr. et al on Figs. 19-20.

As for Independent method² claim 47, which has similar limitation as in method¹ claim 8 and further limitation of additional registration information, this is fairly taught in SHURLING et al col. 4, lines 25-35. The additional of other well known customer information parameter for further security checking efficiency would have been obvious.

As for dep. claim 48 (part of 47), which has similar limitation as in dep. claim 32, it's rejected for the same reason set forth in dep. claim 32 above.

As for dep. claim 49 (part of 47), these known variables are inherently included in the loan of SHURLING et al as shown on col. 5 and Tables A and B.

As for dep. claim 50 (part of 47), this is shown on cols. 10 and 11.

As for dep. claims 51, 53 (part of 47), the selection of the ratio of loyalty point to loan varies from bank to bank depends on the profit/cost structure and would have been obvious to a skilled artisan.

As for dep. claim 52 (part of 47), the selection of a 2nd loan service for the same purpose as in the 1st loan service would have been obvious as mere duplicate selection.

As for dep. claims 72-83 (part of 71), the provision of a screen providing a plurality of hyperlinks representing site contents are fairly discussed and shown on ROSS, Jr. et al Figs. 9-19. Moreover, the selection of various hyperlinkages scenarios are considered as routine experimentations varying for each specific application and would have been obvious.

As for dep. claim 84 (part of 71), this is rejected over ROSS, Jr. et al Figs. 19-20.

As for dep. claims 85-87, 89 (part of 71), they are rejected for the same reasons set forth in claims 10-11 above.

As for dep. claim 88 (part of 71), it's rejected for the same reason set forth in dep. claim 11 above.

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5. Dependent claim 30, 32-35 (part of 8) are rejected under 35 U.S.C. 103(a) as being unpatentable over (Ref¹) SHURLING et al in view of (Ref²) Article 12/1999 and (Ref³) ROSS, Jr. et al as applied to claims 8-28 above, and further in view of (Ref⁴) ARTICLE 4/1993 (All Nippon ... Frequent Flyers).

As for dep. claims 30 (part of 8), in a similar method for redeeming loyalty points (bonus mileage credits), ARTICLE 4/1993 fairly discloses various options for redeeming points comprising a transfer from one user to another (2nd user) bonus mileage credits (or free ticket) to inherently allow the 2nd user to make effective use of the redeeming points as desired by the 1st user (see abstract). It would have been obvious to modify the process of SHURLING et al / Article 12/1999 / ROSS, Jr. et al by transferring the selectively redeemed loyalty points from the 1st user to a 2nd user as taught by ARTICLE 4/1993 as ways to consume the bonus or loyalty points as desired by the 1st user.

As for dep. claim 32 (part of 8), which deals with additional registration, this is fairly taught in SHURLING et al col. 4, lines 25-35. The additional of other well known customer information parameter for further security checking efficiency would have been obvious.

As for dep. claims 33-35 (part of 8), the limitations of the relationship between customer's loyalty points and merchant's sale price or commission vary with each circumstance and/or merchant's profit/cost structure and are considered as optimizing operating conditions or result effective parameters/variables and the optimizing of result effective variables is considered as **routine experimentation** for different scenarios or

programs to determine optimum or economically feasible loyalty point redeeming or exchanging conditions and would have been obvious to the skilled artisan, absent evidence of unexpected results. In re Aller, 105 USPQ 233.

6. Dependent claims 55-62 (part of 54) are rejected under 35 U.S.C. 103(a) as being unpatentable over (Ref¹) SHURLING et al in view of (Ref²) Article 12/1999 and (Ref³) ROSS, Jr. et al as applied to claims 54 above, and further in view of (Ref⁵) WONG et al (US Patent 6,119,933).

As for dep. claim 55 (part of 54), the teachings of SHURLING et al / Article 12/1999 / ROSS, Jr. et al is cited above. In a similar method for redeeming loyalty points, WONG et al displaying information about the accumulated loyalty points to the user by categorizing the points with several status such as "new", "pending,", "earned", etc, and displaying the points for each status (see col. 5, lines 45-60). It would have been obvious to modify the redeeming of loyalty points of SHURLING et al / Article 12/1999 / ROSS, Jr. et al by categorizing the points according the status and displaying the points for each status as taught by WONG et al to inherently allow accurate monitoring and using of loyalty points program.

As for dep. claims 56-62 (part of 54), the various well known limitations with respect to loyalty points monitoring program such as waiting period, displaying of points, redeeming strategy, minimum point scale, etc., are fairly discussed in WONG et al as shown on pages 5-6.

Note: WONG et al also discloses the various steps of updating profiles and adding member and member transactions as shown on cols. 4-5.

7. Claims 63-64, 65-70 are rejected under 35 U.S.C. 103(a) as being unpatentable over (Ref¹) SHURLING et al in view of (Ref²) Article 12/1999 and (Ref³) ROSS, Jr. et al / (Ref⁵) WONG et al as applied to claims 55-62 above, and further in view of (Ref⁴) ARTICLE 4/1993.

As for claims 63, 65, the teachings of SHURLING et al in / Article 12/1999 / ROSS, Jr. et al / WONG et al is cited above. The teaching of ARTICLE 4/1993 is cited above. It would have been obvious to modify the process of SHURLING et al in / Article 12/1999 / ROSS, Jr. et al / WONG et al by transferring the selectively redeemed loyalty points from the 1st user to a 2nd user as taught by ARTICLE 4/1993 so the 2nd user can use the loyalty points if desired by the 1st user.

As for dep. claim 64 (part of 54), the number of transfer point is considered routine experimentation varying with each business model and would have been obvious.

As for dep. claim 66 (part of 65), this is taught on WONG et al on cols. 4, 5, 6.

As for dep. claims 67-70 (part of 65), these are taught on WONG et al col. 5, lines 45-60.

Conclusion

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

WO 99/60503, as cited in the previous action, fairly teaches a system and method for interaction between a user and several parties, including the merchant, for monitoring incentive rewards / points and redemption or exchanges of points for other product or service if desired on a web site or Internet. This has many similar teachings as in SHURLING et al in view of Article 12/1999 and ROSS, Jr. et al and are cited here for applicant's awareness. This could be used in the near future for any well known teachings with respect to the web site operation for redeeming of points.

No claims are allowed.

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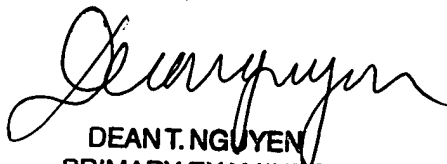
9. Telephone inquiries regarding the status of applications or other general questions, by persons entitled to the information, should be directed to the group clerical personnel and not to the examiner. As the official records and applications are located in the clerical section of the examining Tech Center, the clerical personnel can readily provide status information without contacting the examiner. See MPEP 203.08. The Tech Center clerical receptionist number is (703) 308-1113 or <http://pair-direct@uspto.gov>.

In receiving an Office Action, it becomes apparent that certain documents are missing, e. g. copies of references, Forms PTO 1449, PTO-892, etc., requests for copies should be directed to Tech Center 3600 Customer Service at (703) 306-5771, or e-mail CustomerService3600@uspto.gov.

Any inquiry concerning the merits of the examination of the application should be directed to Dean Tan Nguyen at telephone number (703) 308-2053. My work schedule is normally Monday through Friday from 7:00 am through 4:30 pm.

Should I be unavailable during my normal working hours, my supervisor John Weiss may be reached at (703) 308-2702. The FAX phone numbers for formal communications concerning this application are (703) 305-7687. Informal communications may be made, following a telephone call to the examiner, by an informal FAX number to be given.

dtm


DEAN T. NGUYEN
PRIMARY EXAMINER